GROWTH MANAGEMENT HEARINGS BOARD EASTERN WASHINGTON REGION STATE OF WASHINGTON BRODEUR/FUTURWISE, VINCE PANESKO

BRODEUR/FUTURWISE, VINCE PANESKO AND WASHINGTON STATE DEPARTMENT OF COMMERCE,

Case No. 09-1-0010c

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ORDER FINDING CONTINUING NON-COMPLIANCE

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Petitioner(s),

(West Richland UGA)

BENTON COUNTY,

Respondent,

CITY OF WEST RICHLAND, THE ESTATE OF THAYNE WISER, CLAYNE WISER, KURT WISER, and TALON WISER,

Intervenor(s).

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I. SYNOPSIS

After a Compliance Hearing on August 3, 2010, the Board concluded Benton County's adoption of Resolution 10-301 enlarging the West Richland Urban Growth Area violates RCW 36.70A.110 and RCW 36.70A.115, is not supported by substantial evidence in the record, and is clearly erroneous in view of the entire record before the Board and in light of the goals and requirements of the GMA.

II. DISCUSSION

On February 23, 2009, the Board of County Commissioners adopted Benton County Resolution 09-143 which amended the Comprehensive Plan Land Use Map to add 747 acres of land to the City of West Richland's Urban Growth Area. According to the City of

¹ Futurewise Petition for Review (April 10, 2009), Tab 09-143.

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West Richland, the UGA "expansion was designed to accommodate commercial and industrial development to support the wine industry and wine tourism, provide an aesthetically appealing gateway to the City, and promote the development of major retail stores so that the City may receive its fair share of sales taxes paid by its citizens" and "to increase employment opportunities in the City to achieve an appropriate jobs-housing balance and thereby reduce vehicle miles traveled." The UGA expansion was also "designed to promote the economic development goal and was restricted to location-dependent commercial and industrial development" in support of the Red Mountain American Viticultural Area (AVA) and associated wine industry.²

In April 2009, Petitioners John Brodeur, Futurewise, and Vince Panesko filed timely Petitions for Review (PFR) challenging Resolution 09-143, and a Hearing on the Merits was held on November 5, 2009 in Kennewick. In the December 2, 2009 Final Decision and Order (FDO), the Board found that there was substantial evidence in the record to support the County's determination that some revision to the pre-existing UGA boundaries was needed to accommodate projected urban growth, in furtherance of the economic development goal in RCW 36.70A.020(5). However, there was no substantial evidence in the record to support the 747-acre **size** of the UGA expansion area. The Board concluded that Petitioners had carried their burden of proof in demonstrating that Benton County's action adopting Resolution 09-143 violated RCW 36.70A.110 and RCW 36.70A.115.³

As was noted in the FDO, the approximate size of a UGA is determined by a land capacity analysis which addresses how much land is available/allocated within the UGA to accommodate various uses with the goal of providing adequate land to accommodate projected urban growth for the succeeding 20 years.⁴

Again as referenced in the FDO, the initial West Richland Buildable Lands Summary contained no information regarding commercial and industrial land requirements to meet the

² City of West Richland's Response Brief (October 22, 2009), pp. 10-11.

³ FDO at 17.

⁴ FDO at 15.

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20 year growth demands.⁵ On that basis, the Board could not "... determine from the record whether the County's designation of 747 acres exceeds the amount of land necessary to accommodate the projected urban growth."⁶

The Board indicated in the FDO that, on remand, the City and County should address the following three issues pertaining to the UGA expansion for non-residential, economic development purposes:

- 1. Develop the analysis showing the needed size (acreage) for this UGA expansion based upon projected 20-year urban growth (consistent with OFM population forecast), so as to satisfy the UGA sizing requirements in RCW 36.70A.110(2) and RCW 36.70A.115, plus any offsetting UGA contractions in other areas;
- 2. Identify the land market supply factor, if any, used to calculate total acreage needed; and
- 3. Indicate the land use controls used to restrict residential uses within the UGA expansion area and also within the rural areas near the proposed freeway interchange to prevent induced urban growth once the freeway interchange is opened.⁷

On May 24, 2010, Benton County adopted Resolution 10-301 in an attempt to achieve compliance with the GMA. At the City's request, Benton County rescinded Resolution 09-143 and amended the Comprehensive Plan to reduce the previous UGA expansion area from 747 acres down to 545 acres. In this compliance proceeding, Petitioners allege: (1) the City of West Richland already had surplus commercial and industrial land available, (2) there is no basis in the evidentiary record to support the UGA expansion adopted in Resolution 10-301, and (3) the most recent UGA expansion violates RCW 36.70A.110 and RCW 36.70A.115, leading to inappropriate urban sprawl.

Benton County states: (1) the City of West Richland has provided additional supporting documentation and reduced the size of the UGA expansion request by 200 acres to 545 acres, and (2) the UGA expansion proposal has location-dependent economic development

⁵ FDO at 15, 16.

⁶ FDO at 16.

⁷ FDO at 16.

opportunities that are site-specific to interchange development and will enhance and diversify employment opportunities within Benton County. The City argues: (1) the Board previously determined that some UGA expansion for location-dependent economic development purposes was supported by substantial evidence and was compliant, (2) based on the presumption of validity, the County and City have broad discretion to make policy choices, grounded in unique local circumstances about how to accommodate urban growth, and (3) Resolution 10-301 reducing the size of the UGA was supported by substantial evidence and was compliant.

The issue on compliance is appropriately framed as follows: Whether Benton County's action in rescinding Resolution 09-43 and adopting Resolution 10-301, which expanded the West Richland UGA by approximately 545 acres, complies with RCW 36.70A.110(2) and RCW 36.70A.115. RCW 36.70A.110(2) and RCW 36.70A.115, respectively, provide in relevant part as follows:

Based upon the growth management population projection made for the county by the office of financial management, the county and each city within the county shall include areas and densities sufficient to permit the urban growth that is projected to occur in the county or city for the succeeding twenty-year period As part of this planning process, each city within the county must include areas sufficient to accommodate the broad range of needs and uses that will accompany the projected urban growth including, as appropriate, medical, governmental, institutional, commercial, service, retail, and other nonresidential uses.

Counties and cities . . . shall ensure that, taken collectively, adoption of and amendments to their comprehensive plans and/or development regulations provide sufficient capacity of land suitable for development within their jurisdictions to accommodate their allocated housing and employment growth, including the accommodation of, as appropriate, the medical, governmental, educational, institutional, commercial, and industrial facilities related to such growth, as adopted in the applicable countywide planning policies and consistent with the twenty-year population forecast from the office of financial management.

These two statutes were amended in 2009 to clarify that GMA planning should be expanded beyond land capacity for housing and employment growth to include land capacity for

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certain additional specified categories of facilities such as commercial and industrial facilities; however, the 2009 legislative amendments did not change the GMA's requirement that the size of a UGA must be based upon an OFM 20-year population projection.⁸

An important goal of the GMA is to "[r]educe the inappropriate conversion of undeveloped land into sprawling, low density development." RCW 36.70A.020(2). Urban Growth Area (UGA) boundaries serve to contain "urban growth" within the designated UGA, thereby furthering the fundamental GMA policy to discourage sprawl.⁹ "Oversized UGAs are perhaps the most egregious affront to the fundamental GMA policy against urban sprawl, and it is this policy that the UGA requirements, more than any other substantive GMA mandate, are intended to further."¹⁰

The Washington Supreme Court has provided explicit guidance regarding appropriate UGA sizing:

The size of a UGA must be "[b]ased upon" an OFM projection and a county must include "areas and densities sufficient to permit the urban growth" projected to occur over the next 20 years. . . . If the size of a UGA is not limited, rural sprawl could abound. Thus, although the GMA does not explicitly limit the size of a UGA, to give meaning to the market supply factor provision and in light of the GMA goal of reducing sprawl, we hold a county's UGA designation cannot exceed the amount of land necessary to accommodate the urban growth projected by OFM, plus a reasonable market factor. 11

The Record before the Board on compliance includes a document submitted by the City to the County entitled Urban Growth Area (UGA) Information Spreadsheet, which includes a

⁸ Laws of 2009, Chapter 121, § 3 (Final Bill Report SHB 1825).

⁹ RCW 36.70A.020(2); Thurston County et al. v. W. Wash. Growth Mgmt. Hearings Bd. et al., 164 Wn.2d 329, 351 (2008).

Brent D. Lloyd, Accommodating Growth or Enabling Sprawl? The Role of Population Growth Projections in Comprehensive Planning under the Washington State Growth Management Act, 36 Gonz. L. Rev. 73, 105 (2001), quoted with approval by Supreme Court in Thurston County et al. v. W. Wash. Growth Mgmt. Hearings Bd. et al., 164 Wn.2d 329, 352 (2008).

¹¹ Thurston County et al. v Western Washington Growth Management Hearings Board et al., 164 Wn.2d 329, 351-352 (2008) [footnotes omitted]. Benton County's Planning Department indicated that according to the City's UGA Information Spreadsheet, the City did not use a market supply factor in its amended UGA proposal. Benton County Planning Department Memorandum (March 30, 2010) at page 5 – IR 64, Tab 64 attachment to Futurewise's Objection to a Finding of Compliance.

"Table 3" setting forth the acreage required by West Richland to accommodate its 20-year growth projection, the existing/vacant acreage, and the existing shortfall/excess acreage required to meet that projection. A summary of the relevant portion of the table shows the following:

Land Use Category	Acres Needed To Accommodate 20- yr. Projection	Existing Vacant/Undeveloped Acres	Acres In Excess Of Need
Commercial	496	998	+502
Industrial	496	1410	+914

The above table indicates West Richland has far more commercial and industrial land available than is needed to accommodate its adopted population target: 502 acres over and above the 496 required for commercial uses and 914 acres over and above the 496 acres required for industrial uses. The UGA Information Spreadsheet also states that the "TOTAL ACRES NEEDED TO ACCOMMODATE 20 YEAR POPULATION GROWTH" is 0.¹³

While the Board is mindful of the City's desire to pursue economic development opportunities in the vicinity of the Red Mountain AVA and the County's discretion to make local choices about accommodating urban growth, those considerations do not trump the specific requirements of the GMA for UGA sizing, including RCW 36.70A.110(2) and RCW 36.70A.115. Furthermore, if the County approves a UGA enlargement based only upon economic development opportunities, without regard to the amount of land actually needed to accommodate OFM-projected urban growth, then such growth will be uncontained and the fundamental GMA goal to reduce sprawl will be frustrated.

In this case, an option thought to be available to the City was to consider "offsetting UGA contractions in other areas." 14 Neither the County nor the City addressed that possibility.

¹² Petitioner Panesko's Objections to a Finding of Compliance (West Richland), attachment 4, page 3.

¹⁴ FDO at 16.

Review of the UGA Information Spreadsheet indicates all but 69 acres of the City's UGA are currently within the incorporated boundaries of the City, thus complicating that avenue. ¹⁵ In addition, it is a county's responsibility to establish UGAs and, in doing so, to ensure sufficient land capacity **countywide** to accommodate anticipated growth, consistent with the 20-year OFM population forecast. ¹⁶ That capacity is then allocated to all of the county's UGAs. If it is the desire of Benton County to allow expansion of the West Richland UGA for commercial and industrial purposes, a reduction elsewhere to compensate for that expansion, based on the 20-year growth projection, may be needed. The conundrum in which West Richland finds itself is addressed by WAC 365-196-310(3)(e)(i)¹⁷:

A change to the urban growth area is an amendment to the comprehensive plan and requires, at a minimum, an amendment to the land use element. Counties and cities should also review and update the transportation, capital facilities, utilities, and housing elements to maintain consistency and show how any new areas added to the urban growth area will be provided with adequate public facilities. A modification of any portion of the urban growth area affects the overall urban growth area size and has county-wide implications. Because of the significant amount of resources needed to conduct a review of the urban growth area, and because some policy objectives require time to achieve, frequent, piecemeal expansion of the urban growth area should be avoided. Site-specific proposals to expand the urban growth area should be deferred until the next comprehensive review of the urban growth area.

As to the compliance legislation now before the Board (Resolution 10-301), Petitioners have the burden to show that the County's action is clearly erroneous and non-compliant with the GMA. Resolution 10-301 is presumed valid, and the County has discretion to make many choices about accommodating growth but in exercising that discretion, the County must follow the procedural and substantive requirements of the GMA. The Supreme Court recently held that the **size** of a UGA must be "based upon" an **OFM 20-year urban growth projection** and a county's UGA designation **cannot exceed the amount of land**

¹⁵ Petitioner Panesko's Objections to a Finding of Compliance (West Richland), attachment 4, page 1. ¹⁶ RCW 36.70A.115

¹⁷ Effective Feb. 19, 2010.

¹⁸ RCW 36.70A.110(2), RCW 36.70A.320. *Thurston County, et al. v. Western Washington Growth Management Hearings Board, et al.,* 164 Wn.2d 329, 353 (2008). Local discretion is bounded by the goals and requirements of the GMA. *King County v. Central Puget Sound Growth Management Hearings Board, 142 Wn.2d 543, 561 (2000).*

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25 26 **necessary to accommodate the urban growth projected by OFM,** plus a reasonable land market supply factor.¹⁹

In reviewing the County's legislative action, the Board looks at both the operative language of the legislation and at any detailed findings of fact and conclusions of law.²⁰ Resolution 10-301 contains no specific findings of fact or conclusions of law as to whether the **size of this UGA expansion** <u>corresponds to</u> the **amount of land necessary to accommodate the urban growth** projected by OFM.²¹

The record contains no information about any findings or conclusions by the Benton County Planning Commission, although the record does indicate that the Planning Commission did not make a recommendation.²²

The Benton County Planning Department Staff Report states that "West Richland's <u>UGA Information Spreadsheet</u> analysis for the amended UGA expansion shows that additional land is not needed to accommodate the OFM population projection for the City as required by RCW 36.70A.110(2)," and that "[n]o additional land is needed to accommodate the Office of Financial Management's population projections for West Richland." The Staff Report also states that the "amended UGA is not being proposed by the City to accommodate the Office of Financial Management's population projections, but to accommodate urban growth necessary for the Red Mountain AVA-related economic development purposes at the proposed I-82 interchange site, and will restrict residential development." However, the

¹⁹ RCW 36.70A.110; RCW 36.70A.115. *Thurston County v. Western Washington Growth Management Hearings Board,* 164 Wn.2d 329, 350 (2008).

²⁰ Meaningful appellate review requires entry of adequate and detailed findings of fact and conclusions of law. *Citizens for Responsible and Organized Planning v. Chelan Co.*, 105 Wn. App. 753 (2001).

²¹ See Benton County Resolution 10-301, adopted May 24, 2010 – Exhibit A to Respondent Benton County's Statement of Compliance Action Re Resolution 09-143 (West Richland).

²² Benton County Resolution 10-301, adopted May 24, 2010, page 2 – Exhibit A to Respondent Benton County's Statement of Compliance Action Re Resolution 09-143 (West Richland).

²³ Benton County Planning Department Memorandum (March 30, 2010) at page 7 – IR 64, Tab 64 attachment to Futurewise's Objection to a Finding of Compliance.
²⁴ Id. at page 9.

Board notes that the GMA requires a correspondence between UGA size and OFM-projected urban growth.

RCW 36.70A.290(4) requires the Board to base its decision on the record developed by the County, as supplemented with additional evidence determined to be necessary or of substantial assistance to the Board. The City and County cite no evidence in the record to show a correspondence between the expanded size of the UGA and OFM-projected urban growth.²⁵ The City and County do not assert that the size of the UGA is "based upon the growth management population projection made for the county" by OFM, as required by RCW 36.70A.110(2). The City and County do not argue that this UGA expansion will accommodate allocated growth, consistent with the OFM 20-year population forecast, in accordance with RCW 36.70A.115.

Rather, the City states that "[t]he purpose of this UGA expansion is not to accommodate population growth, but to attract and accommodate economic development near the freeway interchange and renowned Red Mountain AVA . . .," and "[t]his is **not** a UGA expansion to provide residential and other uses for the projected twenty-year population increase." However, the Board notes that the GMA does not authorize UGA sizing based on something other than OFM-projected urban growth, and the Supreme Court has held that a UGA designation cannot exceed the amount of land necessary to accommodate the urban growth projected by OFM.

Therefore, the Board finds and concludes as follows: There is no substantial evidence in the record to support the County's **sizing** of this UGA expansion in Resolution 10-301. There is no substantial evidence in the record that the size of the UGA is based upon an OFM urban growth projection. Petitioners have carried their burden of proof by demonstrating that

²⁵ Although the GMA does not place the burden on the County to justify in the Comprehensive Plan a UGA boundary decision adopted in a joint plan with a city, once a petitioner challenges the size of a county's UGA, the county should explain its UGA sizing decision and the difference between land supply and demand. *Thurston County, et al. v. Western Washington Growth Management Hearings Board, et al.,* 164 Wn.2d 329, 352-353 (2008).

²⁶ City of West Richland's Response to Petitioners' Objections to a Finding of Compliance, page 5.

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Benton County's expansion of the West Richland UGA in Resolution 10-301 violated RCW 36.70A.110 and RCW 36.70A.115, is not supported by the evidentiary record, and is not guided by RCW 36.70A.020(2).

Benton County's adoption of Resolution 10-301 is clearly erroneous in view of the entire record before the Board and in light of the goals and requirements of the GMA. On remand, the County and City may consider explaining how the size of any UGA expansion corresponds to the amount of land necessary to accommodate the urban growth projected by OFM over the 20-year planning horizon, together with an explanation as to how the County's pre-existing UGA boundaries have been revised to provide offsetting contractions, if any, to any Urban Growth Area expansion for the City of West Richland.

III. ORDER

Benton County's adoption of Resolution 10-301enlarging the West Richland Urban Growth Area violates RCW 36.70A.110 and RCW 36.70A.115, is not supported by substantial evidence in the record, and is clearly erroneous in view of the entire record before the Board and in light of the goals and requirements of the GMA. Resolution 10-301 does not comply with the GMA, and this case is remanded to Benton County to take further actions to comply with the Growth Management Act.

The following schedule shall apply:

Compliance Due on identified areas of noncompliance	February 21, 2011
Compliance Report and Index to Compliance	March 7, 2011
Any Objections to a Finding of Compliance and Record Additions/Supplements Due	March 21, 2011
County's Response Due	April 4, 2011
Compliance Hearing (telephonic) 360 407-3780 pin 975022#	April 12, 2011 10:00 a.m.

Entered this 24th day of September, 2010.

Raymond L. Paolella, Board Member

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2	Joyce Mulliken, Board Member			
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4	William Dook! Doord March or			
5	William Roehl, Board Member			
6	Pursuant to RCW 36.70A.300 this is a final order of the Board.			
7	Reconsideration. Pursuant to WAC 242-02-832, you have ten (10) days from the mailing of			
8	this Order to file a petition for reconsideration. Petitions for reconsideration shall follow the format set out in WAC 242-02-832. The original and three copies of the petition for			
9	reconsideration, together with any argument in support thereof, should be filed by mailing,			
10	faxing or delivering the document directly to the Board, with a copy to all other parties of record and their representatives. Filing means actual receipt of the document at the Board			
11	office. RCW 34.05.010(6), WAC 242-02-330. The filing of a petition for reconsideration is not a prerequisite for filing a petition for judicial review. A response to a Motion for			
12	Reconsideration must be filed within 5 days of the filing of the motion.			
13	Judicial Review. Any party aggrieved by a final decision of the Board may appeal the decision to superior court as provided by RCW 36.70A.300(5). Proceedings for judicial review may be instituted by filing a petition in superior court according to the procedures specified in chapter 34.05 RCW, Part V, Judicial Review and Civil Enforcement. The petit for judicial review of this Order shall be filed with the appropriate court and served on the			
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16	Board, the Office of the Attorney General, and all parties within thirty days after service of the final order, as provided in RCW 34.05.542. Service on the Board may be accomplished			
17	in person, by fax or by mail, but service on the Board means actual receipt of the document			
18	at the Board office within thirty days after service of the final order.			
19	Service. This Order was served on you the day it was deposited in the United States mail. RCW 34.05.010(19).			
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